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MECHANISMS FOR NON-GOVERNMENTAL ORGANIZATION CONSULTATIONS

Workshop on consultative mechanisms for non-governmental organization inputs to the United Nations Framework Convention on Climate Change

Note by the secretariat

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I. INTRODUCTION

A. Mandate and scope

1. The decision to hold a workshop on non-governmental inputs was taken by the Conference of the Parties at its first session held from 28 March to 7 April 1995 (decision 6/CP.1, annex III). The Conference further decided that the workshop should be held within the framework of the Subsidiary Body for Scientific and Technological Advice (SBSTA). In accordance with the decision, "the workshop, open to all Parties and interested non-governmental participants, should discuss the need for, and possible scope, structure, membership and work plans of, non-governmental advisory committees and/or a business consultative mechanism and report recommendations in the light of the workshop to the Conference of the Parties at its second session."

2. Subsequently, the SBSTA, in one of the conclusions adopted at its first session, "requested the secretariat to organize a workshop on non-governmental inputs, as foreseen in the work programme of the SBSTA, in cooperation with interested Parties and organizations" (FCCC/SBSTA/1995/3, para. 41). The conclusion went on to say that the workshop would have to be funded from extrabudgetary resources, that adequate participation, in particular from developing country non-governmental organizations (NGOs) have to be promoted and assisted, and that the conclusions of the workshop would be made available to the SBSTA for consideration at its second session.

B. Organization and structure

3. To organize the workshop, the secretariat requested the assistance of the International Academy of the Environment (IAE) based in Geneva, Switzerland. To help with the preparations for the workshop, the IAE convened an organizing committee which met on 12 January 1996. The committee comprised two representatives each from the constituencies of business and industry, municipal leaders and local authorities, and environmental NGOs. Representatives of two interested Parties to the Convention attended the meeting as observers. The members of the organizing committee agreed on organizational aspects and the structure of the workshop (the programme of which is contained in section II.A below), and agreed to assist in the identification both of NGO representatives whose participation would be funded, and of the speakers, as well as of those who would serve as co-chairs and rapporteurs of each working group in the workshop. The workshop was made possible by generous contributions from the Governments of New Zealand,

Switzerland, and the Netherlands, as well as by the United Nations Industrial Development Organization.

4. The IAE, with guidance from the UNFCCC secretariat, convened the Workshop on Consultative Mechanisms for Non-Governmental Organization Inputs to the United Nations Framework Convention on Climate Change during the second session of the SBSTA (27 February - 4 March 1996). The workshop was held on Saturday, 2 March 1996, and was co-chaired by the Director of the IAE, Dr. Bohdan Hawrylyshyn and the Chairman of the SBSTA, Dr. Tibor Faragó. An oral report on the workshop was presented to the SBSTA at its second session by Dr. Hawrylyshyn. On the basis of a proposal by the Chairman, the SBSTA decided to postpone discussion of the workshop until its third session when the formal report would be available in all languages.

II. WORKSHOP

A. Programme

9.00 **Plenary**

Introduction and opening remarks:
Dr. Bohdan Hawrylyshyn, Director, IAE
Dr. Tibor Faragó, Chairman, Subsidiary Body for Scientific and Technological Advice (SBSTA)

Presentations on NGO consultative mechanisms for:

9.30 Business and industry

Guiding principles of a consultative mechanism
Mr. Leonard Bernstein, Global Climate Coalition

Business consultative mechanism
Mr. Hans Buwalda, International Chamber of Commerce

Business and industry participation in technical and economic assessment
Mr. Michael Harris, International Chamber of Commerce

10.00 Municipal leaders and local authorities

The role of local government organizations in consultation with the COP
Ms. Barbara Hall, Mayor of Toronto, Canada

Local governments as strategic partners in addressing climate change
Dr. Ariel Juvenal Ulloa Azocar, Lord Mayor, Concepción, Chile

The role of local government organizations in technological and scientific consultation
Mr. Christopher Iga, Mayor, Kampala, Uganda

Remarks by the National Association of Regulatory Utility Commissioners
Mr. David W. Johnson, Commissioner of the Association

10.30 Environmental organizations

Value of NGO participation in the Climate Change Convention
Mr. Ravi Sharma, Centre for Science and Environment, India

Building a treaty responsive to emerging science and political will: Mechanisms for flexibility in NGO input
Mr. William Hare, Greenpeace International

Enhancing effective non-governmental organizations participation in the assessment of climate technologies
Ms. Annie Petsonk, Environmental Defense Fund, USA

11.00 **Working groups** (meeting simultaneously)

Business and industry
Co-Chair: Ms. Bernarditas de Castro-Muller (Philippines)
Co-Chair: Mr. Clement B. Malin (International Chamber of Commerce)
Rapporteur: Mr. Roy Hamme (Edison Electric Institute)

Municipal leaders and local authorities
Co-Chair: Mr. Bert Metz (Netherlands)

Co-Chair: Mayor Barbara Hall (Toronto)
Rapporteur: Councillor John Gormley (Dublin)

Environmental organizations
Co-Chair: Mr. Diego Malpede (Argentina)
Co-Chair: Ms. Louise Comeau (Sierra Club of Canada)
Rapporteur: Ms. Jennifer Morgan (Climate Action Network)

15.00 **Working groups** (resumed)

16.00 **Plenary**

Presentations by Co-Chairs of the working groups

16.30 Discussion

Comments on conclusions of working groups
Need for cross-constituency consultations?

17.30 Closing remarks

B. Introductory remarks

5. In his opening remarks, Dr. Faragó spoke about the complexities of implementing the Convention. He stressed that the purpose of the workshop was to look at how Governments could collaborate more fruitfully with non-governmental organizations. Furthermore, the workshop would focus on a mechanism for consultations, and not on the substance of climate change. Dr. Faragó also acknowledged that the grouping of the three constituencies of business and industry, municipal leaders and local authorities, and environmental organizations as such was artificial, as those groups were not homogeneous in their membership. For this reason, it would not be an easy task for the working groups to come up with a clear position on what they saw as a priority framework for cooperation.

6. Dr. Hawrylyshyn said that the Convention process should not be limited to policymakers only, and expressed his support for the active participation of NGO representatives. He added that, while the sessions of the Conference of the Parties and its subsidiary bodies were intended to help guide the future of science in the area of climate change, they should not be limited to the technological aspects of climate change. On the contrary, meetings of Convention bodies should also be aimed at

improving public awareness. Action in the area of climate change was not to be taken only at the national level, but also at the international level, given that climate did not respect national boundaries.

C. Presentations

7. The programme of presentations at the workshop can be found in section A above. Presentations were made by representatives of each constituency group represented in the workshop. The business and industry constituency spoke of the general principles of business consultative mechanisms, a proposal for a business consultative mechanism, and business and industry participation in technical and economic assessment. The presentations by municipal leaders and local authorities outlined the role of local governments as strategic partners in dealing with climate change and its effects, local government observer status, proposals for local governments to consult with the Conference of the Parties and its subsidiary bodies, and their participation in technical and economic assessment. The presentations by the representatives of environmental organizations focused on the value of the participation of such organizations in the Convention process, the role played by them in helping to implement the Convention, and their participation in technical and economic assessment. Summaries of the presentations made by all three constituencies can be found in document FCCC/SBSTA/1996/MISC.2. The complete text of each presentation is available for consultation in the offices of the Convention secretariat.

D. Working groups

8. Following the plenary session, participants met in working groups along the lines of the three constituencies mentioned above, in order to discuss relevant concerns and issues of each respective constituency in relation to consultative mechanisms. These working groups were each co-chaired by a representative of a Party to the Convention and an NGO representative from within that particular constituency. Each working group also had an NGO representative as Rapporteur. The working groups were charged with executing the workshop's mandate as given by the Conference of the Parties at its first session and formulating recommendations pertinent to that particular group of NGOs. The plenary of the workshop re-convened later in the day to be apprised of the working group discussions.

9. In accordance with a recommendation made by the organizing committee of the workshop, the written report of each working group would be submitted to the secretariat at a later date, for inclusion in the present report without any changes made to its contents. Annexes I, II and III to the present note contain, respectively, the

reports of the business and industry working group, the municipal leaders and local authorities working group, and the environmental organizations working group.

E. Concluding remarks

10. The Co-Chairmen concluded by saying that all recommendations would be duly examined. Not only was it important that information should be easily available, but that it should also be used in a timely fashion. Participants were reminded that the Bureau of the Conference of the Parties was available for consultations, and that as an existing mechanism, it should be used. Other existing mechanisms and procedures could be improved, such as floor access, statements by NGO spokespersons, and circulation of conference room papers to NGOs. As an initial step, therefore, existing mechanisms could be looked at with a view to making them more efficient. Participants were also told that it would be helpful for NGOs to discuss how their input could reach delegations before the formal meetings.

11. Participants were also reminded that the intergovernmental technical advisory panels did not yet exist under the Convention and that reference to such panels was still premature and unhelpful.

Annex I

Report of the business and industry working group

Rapporteur: Mr. Roy E. Hamme (Edison Electric Institute)

A. Summary

1. The business and industry session of the workshop on non-government advisory committees and/or a business consultative mechanism was held in Geneva on 2 March 1996. The workshop, an element of SBSTA's workplan, was convened in accordance with decision 6/CP.1 Annex III (FCCC/CP/1995/7/Add.1), and included the following charge:

> "The workshop, open to all Parties and interested non-governmental participants, should discuss the need for, and possible scope, structure, membership and work plan of, non-governmental advisory committees, and/or a business consultative mechanism, and report recommendations in light of the workshop to the Conference of Parties at its second session."

2. Three papers representing general consensus views of the business and industry ("business and industry" is also referred to in this report as simply "business" and includes the private financial community) organizations participating in the workshop were prepared in response to the decision and presented in the morning plenary session of the workshop. These papers focused solely on business mechanisms and did not attempt to discuss what mechanisms might be appropriate for other NGO groups. Taken together, these papers articulate a broad range of business thoughts and positions on consultations with the Framework Convention on Climate Change (FCCC).

3. As a result of the discussions among the business participants as these papers were being prepared and subsequent discussion with Parties and others during the break-out session, business NGOs reached the following conclusions and recommendations:

Conclusions

4. Business input to the FCCC and other international governmental bodies dealing with climate change is important if progress toward meeting the objective of the Convention is to be made. Business has a wealth of experience in most of the

areas of competence required to progress toward meeting the objective of the Convention. It is particularly important for the FCCC and other inter-governmental bodies focusing on climate change to receive this input as they enter the operational phase of their activities.

5. Adequate consideration of business input would be facilitated by its formal recognition by the COP.

6. Transparency is an essential component of any communication between the international business community, and the FCCC and its Parties.

7. The proposed Business Consultative Mechanism (BCM) would complement, not supplant, national or other international input mechanisms. International business organizations are active in the FCCC process because climate change requires a global response.

8. Business input through the BCM would be available to the Secretariat for distribution to all Parties. National-level input mechanisms and current international mechanisms do not provide these opportunities.

9. International business organizations include membership from both Annex 1 and non-Annex 1 countries. Thus, the BCM, with its global reach, could be an important element in facilitating increased dialogue with business organizations in developing countries.

10. That the general principles outlined in Section C.1 below be accepted by the FCCC as the basis for the establishment of any business consultative mechanism.

11. Similarly, business participation, based on the key principles outlined in Section C.3 below, should be an element in any technical and economic process serving the Convention bodies.

B. Background

12. The business non-governmental organizations that have been following the development and implementation of the FCCC welcomed the decision by the Conference of Parties (COP) at their first session in Berlin in April 1995 to include a workshop on NGO inputs as part of the workplan of the Subsidiary Body for Scientific and Technical Advice (SBSTA). Later, in August 1995 in Geneva, the SBSTA agreed to the following conclusion:

> "SBSTA requested the Secretariat to organize a workshop on NGO inputs, as foreseen in the work programme of the SBSTA, in cooperation with interested Parties and organizations. Such a workshop could possibly be held preceding the next meeting of SBSTA (February 24-25, 1996). Adequate participation, including that of NGOs from developing countries, would have to be promoted and assistance be provided. The conclusions of the workshop will be made available to the SBSTA for consideration. The workshop will have to be funded from extra-budgetary sources; the SBSTA, in this context, noted with appreciation the support offered by two Parties. The views expressed by Parties will be taken into account in preparing for the workshop."

13. During the opening plenary of the 2 March Workshop, three business NGO presentations were made. Dr. Leonard Bernstein of the United States detailed a set of ten principles that business viewed as fundamental to any consultation mechanism with business; Mr. Hans Buwalda of New Zealand presented an outline of a broad, Business Consultative Mechanism which would strengthen the FCCC process by opening an additional avenue of communications and information exchange between the business community and the FCCC on the full range of issues facing them; and Mr. Michael Harris of the United Kingdom discussed the need for business participation in any technical and economic analysis processes established in support of the FCCC.

14. Following the opening plenary, business, Parties and others convened in a "break-out" session and discussed the concepts and thoughts expressed in these papers. They also considered additional information offered by Parties and others in business during the breakout session. As these discussions were limited to business mechanisms, business did not attempt to reach any conclusions regarding the proposals, positions, or principles put forward in the opening plenary by other NGO groups.

15. The FCCC has not reached a conclusion regarding Technical Assessment Panels as a formal part of the institutions under the Convention. In order not to pre-empt discussions between Parties to the Convention, business views on this topic have been restricted to general principles which might guide technical and economic assessment processes. These principles have been prepared primarily in the context of a relatively informal consultative process rather than that of a formal institution (although more structured and tightly focused than the proposed BCM). These general principles are summarized in the body of this report and presented in the paper by Mr. Harris. Reflecting the statement by the government of New Zealand at the Workshop,

business looks forward to future opportunities to further develop the details of a technical and economic assessment process in cooperation with the Parties and the Secretariat.

C. Summaries of opening plenary presentations

1. General Principles

16. Dr. Bernstein outlined business activities in preparation for this workshop and presented 10 principles which would guide a business consultation process with the organizational bodies established under the FCCC. The preparations included three ad hoc business meetings held in Europe and the United States all of which were open to all interested representatives of business. In addition, less formal discussions were conducted in conjunction with the meetings of the Ad-hoc Group on the Berlin Mandate (AGBM) last August and October - November 1995.

17. The principles below represent the consensus of the business participants in these meetings and discussions. They state that:

- A business consultative mechanism for the Framework Convention on Climate Change should:

- Provide business with a convenient, direct and effective additional channel of communication;

- Further enable business to both volunteer information to and respond to questions from all of the bodies established under the FCCC in a timely manner;

- Further enable business to provide information to all of the parties and to the intergovernmental organizations participating in the FCCC process;

- Further enable business to provide its views on the full range (policy, socio-economic, technological, etc.) of issues being addressed under the FCCC;

- Be open to all business NGOs accredited by the FCCC process who wish to participate;

- Be able to convey the full range of business positions on an unfiltered basis;

- Not be a process for negotiation of commitments from business, or for the selection of technology "winners and losers;"

- Be an addition to, not a replacement for, existing or new business consultation at the national and international level;

- Be treated by the FCCC process in a manner comparable to all other NGO consultative mechanisms in terms of access and administrative support, including funding for participants from developing nations; and

- Be subject to, and consistent with, national and regional anti-trust and competition laws and regulations.

2. Business Consultative Mechanism

18. Mr. Buwalda presented a proposal for industry to undertake the establishment of a broadly representative group of business associations, industry coalitions, and other entities accredited to the FCCC process to comprise a Business Consultative Mechanism (BCM).

19. Business considers its participation to be an important factor in the process of selection, development and implementation of economically sound policies and programs that may be adopted by governments. It is business that will meet the growing demands of consumer goods and services. Business manufactures, transports, and markets a diverse and full range of products and delivers many of the services that feed, clothe, house, transport, entertain, and care for the world's people. It is industry and the private financial community that marshal most of the financial resources that fund the world's economic growth. It is business that develops, finances and manages most of the investments that enhance and protect the environment. It is business, therefore, that will be called upon to implement and finance a substantial part of governments' climate change policies.

20. Some Parties to the FCCC have expressed an interest in receiving perspective and counsel from business. Business, in turn has expressed its willingness to expand its participation in the FCCC process and to assist Parties in their global climate policy deliberations. Business, in its proposal to establish a Business Consultative Mechanism, is responding to what it believes to be a shared commonality of interests. Such a mechanism could provide the Parties with access to a broad range of business knowledge, skills, and expertise from business groups with wide geographic and sectoral representation.

21. The scope of the BCM would have two important components; 1) communication, consultation and discussion which would include economics, trade, competitiveness, energy, technology and environmental impacts; and 2) the interface between the institutional bodies of the FCCC and the BCM. In this regard, business NGOs can add value to the deliberations of all bodies. It could also provide an additional means of communication between business NGOs and other NGOs accredited to the FCCC.

22. Business proposes to establish a broadly representative group in which all business NGOs that are accredited to the COP/FCCC would be invited to participate. It would not be a part of the formal structure of the FCCC. The framework, activities and internal processes of the BCM would be determined by the business NGOs participating in it. Its activities would be subject to and consistent with applicable national and regional anti-trust and competition laws and regulations.

23. The "workplan" of the BCM would be determined largely by issues under consideration in the FCCC process. Business NGOs could, however, initiate and introduce for discussion with the FCCC information which, in the view of business, should be considered.

24. Business areas of competence would include, but not be limited to;

- Analysis and assessment modalities;
- Investment flows and perspectives;
- Production and commercialization of products and services;
- Technology research, development, dissemination, and cooperation, as well as barriers thereto;
- Trade flows and development, and barriers thereto;
- Fiscal incentives and disincentives;
- Technological and operational systems management;
- Voluntary approaches; and
- Joint Implementation and Activities Implemented Jointly.

3. Business Participation in Technical and Economic Assessments

25. An effective technical and economic assessment process would facilitate the implementation of the FCCC and its objective over the longer term by assisting the Parties to identify environmentally sound and economically viable options for the mitigation and adaptation to potential global climate change. Business can provide expertise on issues related to the development, commercialization and dissemination of technologies and economic information.

26. Mr. Harris presented business views on this matter, encouraging the Parties to include business participation in any technical and economic process serving the Convention bodies. Business participation in any technical and economic assessment process would be guided by the following:

(a) Participation of business experts selected through an open-ended and transparent selection process, and drawn from a wide range of business groups to cover the full spectrum of relevant technical and economic expertise from both the developed and developing world.

(b) Recognition of the need for an integrated, long-term and credible assessment encompassing all sources and sinks of all greenhouse gases as well as relevant adaptation strategies.

(c) Recognition of the intimate and inextricable relationships business sectors share with each other, and the need to analyze the consequences of these linkages when addressing policies and measures.

(d) A process that produces objective, unbiased, timely, and peer-reviewed information, which would be available in unfiltered form to all Convention bodies.

(e) The development of information on options that should be considered as well as information related to implementation of those options, including: costs, effects, trade-offs, barriers, technical requirements, timing factors, capital requirements, market feasibility, commercial viability, intellectual property rights, environmental, worker and consumer safety and health considerations, trade, desirability and other relevant factors.

(f) Information that would be analytical and descriptive rather than prescriptive.

27. Mechanisms for obtaining input from business should be flexible and include longer-term perspectives as longer-term strategies are likely to prove more sustainable than 'quick fixes'. A credible process that includes timely and appropriate business input should encompass a broad approach covering all greenhouse gases and sinks, relevant adaptation strategies, and all elements of business, including their customers, consumers and technologies. Such a process could effectively engage the knowledge and cooperation of industry worldwide to assist the Parties as they strive to meet the objectives of the Convention in a flexible, cost effective manner.

D. Break-out session discussions

28. The Co-Chairpersons of the business and industry session of the workshop, Mr. Clement Malin and Ms. Bernarditas de Castro-Muller of the Philippines, opened the session. Ms. Castro-Muller stressed business' special role in addressing the issue. She noted that industry is a both source of greenhouse gas emissions and will therefore be affected by any government actions, and also a developer and potential beneficiary of new technologies. She encouraged business to share pertinent information and increase its contribution to the climate change effort and pointed out the need for business involvement in technology transfer to non-Annex I Parties.

1. Discussion of Opening Plenary Papers

29. Mr. Malin welcomed the business participants and emphasized the wide diversity and the importance of that diversity within industry. He then invited the presenters of the business papers introduced at the Plenary forward and opened the floor to questions and comments on those papers from Parties and others present. Most of the questions and comments focused on four areas: the need to open a formal channel for communications, membership, transparency and scope of activities.

(a) Need

(i) Business Consultative Mechanism

30. Business believes that comprehensive, timely business input will be critical to the successful implementation of the Convention.

31. As one business NGO pointed out, the international business community has several existing avenues for effectively communicating its views and information to the FCCC process. Nevertheless, a formally recognized BCM supplementing the existing avenues for business input could serve to foster additional input.

32. One area of particular interest to several of the business NGOs was the possible use of the communications channels afforded by the BCM to facilitate the resolution of some of the barriers to technology transfer. Such barriers include the concerns of industry in regard to the need to establish respect for intellectual property rights and of obtaining fair returns on investment, as well as the concerns of developing countries that the technologies should be appropriate to local conditions and should respect local social and cultural traditions.

33. International business organizations are active in the FCCC process because climate change is a global issue requiring a global response. In this respect, the BCM would complement, not supplant, national or other international input mechanisms. Business input through the BCM would be available to all Parties. Conversely, Parties would be able to solicit information from the entire BCM membership. National-level input mechanisms and current international mechanisms do not provide these opportunities.

(ii) Technical and Economic Assessment

34. Business participants recognized the need for and value of business participation in any future technical and economic assessment process established in support of the FCCC. Business expertise can help in crafting credible and workable options under the Convention and business commitment to undertake actions will be required in the future if implementation of the Convention is to succeed.

35. While many details regarding the structure, scope, rules of procedure, etc. necessary to implement this assessment mechanism will have to be worked out, it is nonetheless important for business to be included the process. Business NGO participation is essential to ensuring the Parties have the information needed to make the most informed decisions possible in furthering the goals of the Convention. A mechanism to provide such input would necessarily be more formally structured and narrower in scope than broad ranging, informal BCM mechanism described above.

36. Technology assessment has already been initiated by IPCC's Working Groups II and III, by the OECD Expert Group of Annex I Parties, and by some individual Parties. The Secretariat has begun the collation of a 'technology inventory' .

Unfortunately, there has been little business consultation and thus, input , in any of these processes. As a result, these activities have given the false impression that the range of viable technologies applicable to a "no-regrets" approach is much broader and more widely applicable than is actually the case. This risks lowering the credibility of the results in the eyes of the very business community which will carry a large share of the responsibility for the practical implementation of any necessary actions. While there has been limited, usually indirect ad hoc participation in the process by a few individuals from business, there has been little attempt as yet to draw on the wealth of expertise and resources potentially available from business world-wide, including from both developed and developing countries. A more structured process for business industry participation could, in business' view, facilitate both technical and economic assessment and the subsequent dissemination and practical application of agreed upon activities.

(b) Membership

37. As stated in the plenary presentation on a BCM, membership would be open to all business organizations accredited by the FCCC to the FCCC process. Accreditation is considered a strong indication of interest and commitment to the process and to informed participation. The number of accredited business organizations is continuing to increase and several are actively encouraging and recruiting greater participation by business interests from non-Annex 1 countries. It was also noted that many of the currently accredited organizations are international, with membership from both Annex 1 and non-Annex 1 countries and, as such, can represent many of the concerns of both. Membership criteria for a technical and economic assessment mechanism would be based on individual expertise and would not be dependent upon accreditation to the FCCC process.

(c) Transparency

38. Transparency is very strongly implied in the principles presented in the plenary session. The BCM would be fully transparent regarding the identities of its member organizations. Further, all communications through the BCM would be transparent because all information submitted from member business organizations would be transmitted in its unaltered, unfiltered state with the source of all such information clearly identified. Further, the operations of any technical and assessment mechanism would also be fully transparent including expert selection and all information transmitted to the Parties by this group would be fully attributed.

(d) Scope of Activities

39. As conceived, the BCM would be structured and administered by its members and function to facilitate communications between business and the FCCC process. It would not be empowered to filter, condense and summarize, or alter the information transmitted in either direction. Further, achievement of a consensus view on behalf of industry would not be a requirement of its mandate. Diversity of opinion should not be considered undesirable, but rather informative, to the process.

Commitments on Behalf of Business

40. As the FCCC is a treaty negotiated between Parties as sovereign states, NGOs cannot and should not, be negotiating Parties. While business believes that its views and expertise are important, they can only be provided through Parties or through the institutions of the FCCC. By the same token, it is the Parties that enter into commitments on behalf of their (national) constituencies. Such commitments do, of course, impinge heavily on business as key stakeholders.

41. Any commitments accepted by Parties under the Convention will, after ratification by a Party, require implementation by that Party through national or in some cases (such as the European Union), regional legislation/regulation. Because of the national (or regional) nature of implementation of the Convention, business commitments can only be made at the national (or regional) level. For business to attempt to do otherwise would risk conflict with other legally binding constraints such as those operating under international trade law (e.g. provisions under the World Trade Organization) or under national or regional competition (anti-trust) laws.

42. On the other hand, business operates in many Annex I and non-Annex I countries in an intensely competitive environment that rewards the elimination of costly, inefficient operations wherever viable alternatives are available. To be successful, a business enterprise can not be satisfied with a 'business as usual' or 'status quo' attitude. It must do better to survive in a marketplace that is controlled by the independent actions of others -- other business sectors, governments, labor and customers. Increasingly, and appropriately in today's world, the operations, decisions and commitments of business have to take into account not only laws and regulations, but also responsibilities to customers, employees and shareholders, as well as responsibilities to the communities - local and global - within which it operates. This is sometimes referred to as a part of our 'license to operate'. These constraints place heavy commitments upon business if it is to survive. It is through all of these mechanisms that business enters into and fulfills its many commitments.

2. Additional Discussion

43. After discussion related to the plenary session papers was exhausted, Mr. Malin opened the floor to discussion of additional topics of interest to the participants.

44. An additional and detailed proposal (attached) for establishing, structuring, and administering a technical and economic assessment process was articulated on behalf of two NGOs as one possible approach to business participation in such a process.

45. It was noted that as the SBSTA had not established a TAP mechanism, detailed NGO initiatives in this area were premature until the FCCC determined how it would pursue this issue. They also raised concerns regarding several of the elements contained within the proposal. One NGO questioned the appropriateness of pursuing such a process (attachment). It was generally acknowledged, however, that the proposal did have constructive elements and that development of a sound technical and economic process is becoming more important as the FCCC moves into the operational phase of its mandate.

46. A business NGO made the point that the Parties would decide what is environmentally necessary based on a credible scientific assessment process and that they also should determine what is achievable based on a credible technical and economic assessment process. Such a technical and economic assessment process is lacking. He then offered that such a process should be one which:

- identifies a scientifically-based, long term, comprehensive goal;

- includes an effective technical and economic assessment mechanism that includes a significant role for business expertise and participation;

- recognizes the long lead times necessary for technological innovation and dissemination;

- includes commitments, possibly differentiated, for developed and developing countries;

- preserves maximum national flexibility in achieving the commitment

- avoids establishment of industry specific regulatory regimes: and

- provides a concrete mechanism for monitoring to ensure that all nations

participate fairly and on an equal basis.

47. The break-out group then noted that industry did not address how the FCCC side of the BCM should be structured. It also noted that it could be useful to the process to make the mechanism available to all FCCC and Inter-Governmental Organization bodies participating in the FCCC process.

48. Ms. Castro-Muller, session Co-Chairperson, in her concluding remarks, noted that many business NGOs were indeed committed to working toward implementation of the Convention, and encouraged the business community to continue to communicate with the Parties. She stated that she was particularly interested in the very positive response to questions regarding technology transfer and how a BCM could facilitate this aspect of the FCCC's work program. Ms. Castro-Muller also stressed the importance of transparency in working with the FCCC process and strongly encouraged the recruiting of new NGOs from non-Annex I countries.

49. Mr. Malin, Session Co-Chairperson, then summarized his impression of the discussion and thanked the participants, thus closing the business NGO break-out session.

Annex II

Report of the municipal leaders and local authorities working group

Rapporteur: Councillor John Gormley (Dublin)

1. This report summarizes the deliberations held at the Working Group on Municipalities and Local Authorities, which took place 11:00 - 14:00 on March 2, 1996 at the Palais des Nations. The Working Group was co-chaired by Ms. Barbara Hall, Mayor, City of Toronto, Canada, and Mr. Bert Metz, Head of The Netherlands' Climate Unit.

2. Municipalities represented by their officials in the Working Group included Dublin, Ireland; Dusseldorf and Bonn, Germany; Toronto, Canada; Concepcion, Chile; Kampala, Uganda, Jerusalem, Israel; the Organisation of Islamic Capitals and Cities (OICC); Kamakura, Japan; and Saitama Prefecture, Japan. Senior staff of the International Council for Local Environmental Initiatives (ICLEI) Cities for Climate Protection campaign were also in attendance, as well as other interested participants from the Workshop, including representatives of the National Association of Regulatory Utility Commissioners (US), environmental and business NGOs, as well as delegates from the second session of the Subsidiary Body for Scientific and Technological Advice (SBSTA).

A. Need

3. Local governments are making a valuable contribution to the implementation of the Framework Convention on Climate Change (FCCC) by assisting their national governments in reducing urban greenhouse gas emissions and adapting local populations to climate change. As an example of local commitment to addressing climate change and its effects, over 130 cities, whose jurisdictions account for about 5% of total global carbon dioxide emissions (CO2), have joined ICLEI's Cities for Climate Protection and have pledged to reduce their emissions.

4. There is an increasing body of experience, insight, and technical knowledge in local governments, which needs to be shared in the Convention process. One example is the variety of financing mechanisms that local governments have developed to facilitate the retrofit of their own buildings and facilities with energy efficiency measures. The fuller participation of local governments in the Convention process will strengthen the ability of the Parties to meet their commitments, as well as enable a wider dissemination of innovation and practical solutions originating at the local level.

5. Guiding principles for an appropriate mechanism for local government consultation with the COP include present United Nations arrangements for consultation with non-governmental organizations, which date back to Resolution 1296 adopted by the Economic and Social Council (ECOSOC) in 1968. The criteria for such arrangements are based on:

(a) the need for the UN and its agencies to secure advice from organizations that have special competence in the subjects for which consultative arrangements are made, and;

(b) the need to enable organizations that represent important elements of public opinion in a large number of countries to express their views.

6. The ECOSOC guidelines establish two categories of consultation for NGOs: "Category I or "general consultative status" and Category II or "special consultative status". To qualify, according to the ECOSOC guidelines organizations should have recognized international standing, be international in their organizational structure, and possess the authority to speak for their members. Furthermore, such organizations should be able to express the views of major sections of the population in many countries of the world.

7. A recent guideline approved by the UN General Assembly, Rule 62, is particularly relevant to local governments and may have further applicability to the COP. Rule 62 was established to guide local government participation in the Second UN Conference on Human Settlements (Habitat II). The Rule establishes a distinct "local government organization" or "LGO" status for the purpose of participation, without the right to vote, in the deliberations of the Habitat Conference.

B. Scope

8. Local governments can potentially contribute to and further strengthen the Convention process in five ways:

(a) Local governments can play an important role in international emission inventories and tracking. By reporting to national governments their own greenhouse gas reductions (resulting from implementation of their Local Action Plans), local governments can enhance the Convention process by strengthening the Parties' progress reports to the Conference of the Parties (COP). Further refinement of the international reporting protocol to recognize local governments as appropriate reporting "units" would further encourage them to participate in the reporting process.

Such a protocol could also address methodological problems such as "double-counting" of emissions reductions that typically occur when multiple reporting "units" in the same political jurisdiction report their emissions reductions to their national government;

(b) Local governments can report practical examples or case studieswhich illustrate the successful implementation of policies and measures that reduce urban greenhouse gas emissions and adapt the urban environment to climate change;

(c) Local governments can facilitate the scientific assessment of the effects of climate change on the urban environment, where nearly half the world's population will live by the year 2000, which is a sector that has been overlooked in previous studies of climate change. Since such effects, including air pollution, health problems, water and food supply problems, are often the key environmental problems faced by local officials, greater insight into the relationship between climate change and local environmental problems will help encourage integrated solutions that more effectively address both local and global problems;

(d) Local governments can facilitate an understanding of how best to transfer technologies and know-how between the developed and developing nations, especially in such sectors as water supply, waste treatment, and urban transportation management, where local governments exercise relevant powers;

(e) Local governments can play an important role is creating broader public awareness of climate change and the Convention process. Because they typically operate public elementary and secondary school systems, local governments can especially reach school-age children with educational programs. Since many hundreds of local governments are engaged in an effort to implement Local Agenda 21, educational climate-change initiatives can potentially be integrated into local sustainable development activities worldwide.

C. Structure

9. Local governments believe that rather than set up a special consultation mechanism for NGOs and LGOs, all "input mechanisms" that presently exist or that are being actively considered, such as the Technical Advisory Panels, should be open and maximized for participation by all accredited organizations under present UN and FCCC guidelines, rules of procedure, and custom. Furthermore, were the SBSTA to actively consider setting up a new mechanism, then the principle of parity should be carefully observed to ensure that environmental and business NGOs and LGOs enjoy

equal access to Convention processes.

10. Local governments believe the most effective consultation mechanism in the Convention process for their sector would be recognition of their status as an "inter-governmental organization" (IGO) or LGO. Hence, LGO participants propose that the International Union of Local Authorities (IULA) and its environmental wing, ICLEI, be permitted to participate in the deliberations of all public meetings of the COP and its subsidiary bodies, without the right to vote, pursuant to UN and FCCC rules.

11. IULA and ICLEI are the appropriate organizations to express the views of local governments in FCCC processes, for the following reasons:

(a) IULA is a Category I organization under the ECOSOC guidelines and thus already enjoys observer status with UNICEF, FAO, and other UN agencies that permits IULA representatives to participate, without the right to vote, in the public meetings of such agencies;

(b) IULA and ICLEI are "inter-governmental organizations." Together they represent local governments and their national associations in many countries and all regions of the world. Because they are democratically governed by their members, they can express views on behalf of local governments and urban people living throughout the world;

(c) ICLEI, as IULA's designated environmental arm, possesses special competence in terms of expertise and knowledge relevant to the COP and its subsidiary bodies;

(d) ICLEI has represented local governments in a number of recent UN processes and commissions, including the 1992 Earth Summit and the UN Commission on Sustainable Development.

12. Local governments suggest that a comprehensive database of local actions, measures, and emissions reductions, easily accessible to the SBSTA and its Technical Panels over the Internet, would facilitate communication and exchange of information between the local government sector and the Convention process.

D. Membership

13. Local governments are sub-national governments that are closest to people and

their communities, and they are typically defined legally, institutionally, and financially by legislation promulgated by their national governments. Local governments in many countries have organized national associations that represent their views and positions before their national governments.

14. ICLEI's members are local governments that are duly elected by local people and presently number over 210 in 50 different countries. Together, they constitute an international council that meet on a biennial basis to set strategic directions for the organization and to elect a governing Executive Committee. All regions of the world are represented equally on the Executive Committee.

15. IULA's members are national associations of local governments, and its present membership includes 100 such associations in every region of the world. IULA's governing council also meets on a biennial basis, and it holds six appointed seats on ICLEI's board representing each region of the world.

E. Work Plans

16. IULA and ICLEI are prepared to immediately provide any further information to the COP Secretariat to assist in its assessment of the appropriateness of observer status in the Convention process.

17. ICLEI will submit a brief technical proposal to the UNFCCC Secretariat that outlines a potential process that seeks to better encourage local government reporting of emissions reductions, policies, and measures in a way that would strengthen national communications under the Convention process.

18. IULA and ICLEI are prepared to submit other scientific and technical proposals to the SBSTA upon invitation by the Secretariat, for joint or coordinated activity that would enhance understanding of the contribution that local governments can make to reducing greenhouse gas emissions and adapting the urban environment to climate change. Such proposals would be based in part on a future worldwide database of municipal policies, measures, and emissions reductions that is currently in the planning stages at ICLEI. Initial ideas for such joint activity to emerge from the Working Group included advancing understanding of:

(a) the potential effects of climate change on the urban environment and on people living in urban areas;

(b) the relationship between land use, urban sprawl, and local energy use,

as well as the range of municipal policy measures that can facilitate more rational urban growth that minimizes energy use;

(c) the range of municipal policies and measures that can reduce the waste stream and methane emissions associated with the land filling of organic waste, which accounts for a major proportion of methane emissions in many Annex 1 Parties;

(d) innovative financing mechanisms being utilized by local governments to facilitate the retrofit of their buildings and facilities with energy efficiency measures;

(e) the transfer of technologies appropriate in the municipal sector from cities in the developed world to cities in the developing world.

19. Upon request from the SBSTA, ICLEI would be pleased to support the Secretariat in preparing a progress report on activities in the local government sector with respect to climate-abatement activities for presentation at a workshop held in conjunction with a future SBSTA meeting.

Annex III

Report of the Environmental Organizations Working Group

Rapporteur: Ms. Jennifer Morgan (Climate Action Network)

A. Furthering the objective of the United Nations Framework Convention on Climate Change - The role of environmental NGOs

1. It is clear that the discussion of the need for, and possible scope, structure, membership and work plans of NGO advisory committees and/or consultative mechanisms, should be founded on one overriding principle - Does the creation of such a mechanism further the ultimate objective of the Framework Convention on Climate Change? That is, does it, or those NGO participants in such a mechanism work for the "stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system?"

2. Indeed, the further development of consultative mechanisms or processes for NGO input and involvement in the Climate Convention must be guided by the basic test of whether or not they will accelerate the prevention of dangerous interference with the climate system. In other words, mechanisms for NGO involvement in the convention process should be judged by whether or not they assist in building the agreements needed to reduce global greenhouse gas emissions.

B. Principles

3. Whatever additional mechanisms may develop, certain principles need to be followed. First, mechanisms for inputs must be open and available to all stakeholders, including local governments, and the environmental and business communities.

4. Second, to ensure equitable participation in any process, it is also essential that adequate funding be provided to facilitate the sustained participation of NGO representatives from developing countries.

5. Thirdly, the diversity of NGOs needs to be acknowledged. We have different interests and expertise and attempting to narrowly channel input will be counter-productive. We are fundamentally grassroots based groups and like to see

political will developed from the "bottom-up".

C. The Role of Environmental NGOs

6. Environmental NGOs are the organizations which globally build public confidence in the treaty. They are the ones informing citizens directly on the meaning and the importance of the treaty, building the public support crucial to achieve the political will critical to achieve the aim of the treaty.

7. In addition, the NGOs play a pathbreaking role by practically demonstrating the technical and economical viability of projects in reducing GHGs. Furthermore, the environmental NGO's natural mandate matches the Convention's final goal. Some examples of environmental NGO successes in supporting the Convention are:

(a) Building public awareness and channeling funds leading to common concern;

(b) Analyzing issues and highlighting possible solutions;

(c) Monitoring and evaluation of policies (ECO, country reports, energy efficiency, green rating);

(d) Encouraging debate in the developing countries by spreading awareness about stakes and by assisting them with information and advice;

(e) Undertaking firefighting operations by opposing projects which increase GHG emissions;

8. Another example where both environmental NGOs and business NGOs have been playing a constructive role is in technology assessment. For example, one business group took the positive step of proposing a technology assessment process that supports the objective of the Convention.

9. The success of any mechanism for assessing climate technologies is the effectiveness of that process in furthering the objective of the FCCC as stated in Article 2 of the Convention. NGOs can help infuse confidence in the technology assessment process; the process can then in turn build further confidence in societal capabilities for adopting the steps necessary to meet science-based greenhouse gas emissions reduction objectives. Successful technology assessment engages problem solvers from around the world in evaluating the technical feasibility of greenhouse

gas emissions reductions. Successful assessment addresses sustainable, innovative technologies and practices that are effective in helping confront the serious threat of climate change.

10. Also, diffusion of ideas and technologies from both the developing and industrialized world is critical. For example, cities from Beijing to Budapest to Bombay, Santiago to Nairobi, Rome and Los Angeles can all obtain cleaner air for their residents by increasing the proportion of green fleets of vehicles, and expertise is developing in those cities in the technologies needed to accomplish this goal. In this process it is vital to identify sustainable technologies that have worked in specific situations and can be brought forward effectively in broader contexts. The development of alternatives to CFCs and CFC-based technologies provides a useful example.

11. Since many ideas and much expertise and experience in particular climate-sustainable technologies exist outside of government, non-governmental participation can enhance the effectiveness of technology assessment, helping ensure that technology assessment serves the objectives of the Convention. It is vital that governments draw on this expertise in assessing technologies for greenhouse gas emissions reductions.

12. The input of environmental NGOs is particularly important since it is generally not subject to the real or potential conflicts of interest that purveyors of particular technologies possess. NGOs are thus able to offer fresh perspectives and creative approaches that, for various reasons structural to particular markets and regulatory regimes, are not adequately reflected in the private, for-profit sector. The experience and expertise of local communities and local authorities is also critical. Local communities bear the brunt of environmentally and economically adverse effects of economic activity, including greenhouse-gas-producing activity. Local communities are also the locus of decision-making about much of this activity. And technology approaches to addressing particular issues (e.g., reducing greenhouse gas emissions) that earn the respect and liking of local communities stand a much better chance of being implemented, while technology approaches that fail to win local support will not succeed.

13. The Convention needs flexible mechanisms such as its technology assessment process to support the Treaty, in line with Agenda 21, which clearly demands NGO input and access. These mechanism should be based on the "bottom-up" view that most environmental NGOs bring to the process, and not on a "top-down" input mechanism determined by a few for a few. We strongly believe that such a mechanism

should reflect the diversity of NGO views, in support of delegations' divergent needs and capacities.

D. Specific Recommendations of Environmental NGOs

14. Environmental NGOs do not believe there is currently a need for additional input or consultative mechanisms. There is, however, a need for the enhancement and deepening of current mechanisms such as access, technology assessment and others to assist the Convention process in reaching its ultimate objective. We therefore especially question the establishment of a separate business consultative mechanism. It is unclear, even after the NGO workshop, what a business consultative mechanism would accomplish, what its goals are and whether it is striving to achieve the objective of the Convention. An emerging business voice in both furthering the objective and playing a constructive role is now evident and should not be diverted by a separate mechanism for input. In fact, all business constituencies should be asking what business can do for the Convention, rather than what the Convention can do for business.

15. There are a number of different ways in which NGO involvement in the Convention needs to be enhanced. Some of those are outlined below.

1. Access and intervention

16. NGOs should be given much freer license to intervene from the floor. A practice has evolved whereby NGOs are allocated a single, brief opportunity to address the plenary session. Much more constructive dialogue is possible if NGOs are given greater leeway to intervene whenever called upon by the Chair under individual agenda items. This is the practice within, for example, the Commission on Sustainable Development, the Montreal Protocol and IPCC Plenaries. In these places, a more free-form dialogue facilitates the expression of the variety of perspectives and technical expertise within the NGO community, in a way that is simply not possible within the confines of a single five minute intervention at the end of a long week.

17. Practice during the INC era was somewhat less rigid than it currently is in the AGBM. The deliberations of the First Session of the Ad Hoc Group on Article 13 allowed for much freer inputs from the non-governmental community, and, we believe, AG13 clearly benefited from that practice. The recent change in SBSTA is an important first step to build upon. Moving forward from the Rio process means expanding the formal and informal roles of NGOs, yet the Convention is heading in the opposite direction. This practice should change. Other crucial elements of access

and equity include - How does the Convention bring in small businesses which benefit from the implementation of the Climate Convention and that have so much to contribute? How does the Convention ensure that Southern views, from all constituencies, are included?

2. Formal inputs to agenda items

18. In the negotiating bodies of the Convention it should be standard practice for the Secretariat to solicit views of NGOs on specific agenda items. These inputs could be compiled in a separate section of Miscellaneous documents, perhaps following the submissions from governments. AG13, for example, circulated a questionnaire to governments, IGOs and NGOs alike to elicit their views on the multilateral consultative process. All of the responses will be compiled and circulated. There is no reason why this practice cannot be replicated and expanded in other Convention bodies, particularly, but not limited to, the AGBM. NGOs have relevant expertise and experience in a variety of related fora, and have proven to be an important source of creative thinking in the negotiating process. At this juncture, the AGBM should undertake to facilitate creativity from all quarters.

3. NGO Involvement in the Technology Assessment Process - Principles to be followed

19. There has been a great deal of discussion in SBSTA regarding technology assessment. Most participants in the NGO workshop stated that whatever specific approach is developed for undertaking climate technology assessment, the following principles are essential. The principles were in fact, highlighted in both the environment and business presentations and should be implemented wherever technology assessment occurs.

(a) Program of the work

20. The technology assessment work program should undertake a two-fold approach: (1) the initial program should focus on short-term technology assessment priorities in specific substantive areas, aimed at answering geographically specific questions about the technologies to achieve scientifically-driven reduction objectives, and focusing on technologies that may be more generally replicable; and (2) if this endeavor proves its worth, a second phase should take a long-term view with regard to the establishment of other technology assessment priorities as short-term questions are answered.

(b) Content of the work

21. In both the short- and long-term work, the process should emphasize the assessment of specific innovative technologies and processes for reducing greenhouse gas emissions. A necessary element of that assessment will be methodologies for evaluating the effectiveness of the technologies and processes in reducing emissions. A subsequent component could be the assessment of adaptation technologies and processes; similarly, a necessary element would be methodologies for evaluating the effectiveness of those adaptation technologies and processes.

(c) Duration

22. The results of the initial assessment work should be examined in two years, and the effectiveness of the process reviewed at that time. The process may be renewed if it is serving the objective of the Convention and national development priorities.

(d) Principles of Effective Technology Assessment

23. CAN NGOs have identified the following principles that we believe underlie effective technology assessment. These are: participation of experts based on actual technical expertise and experience; independence of the experts (experts do not present directed votes or positions instructed by governments, industry, NGOs or other entities); disclosure of conflicts of interest; developing country expertise and experience; expertise on alternatives, including operational/process alternatives; equal footing (experts, whether drawn from government, business or environment NGOs, local authorities or the academic community, participate equally in the assessment process); performance-based evaluation (technologies to be assessed in terms of their performance in reducing greenhouse gas emissions); review by peers (work of the technology assessment process to be reviewed mutually by the experts involved and by other experts of comparable expertise, rather than by governments or organizations); unfiltered work product (reports to be published and distributed directly to the Parties).

24. Experience shows that where these principles are followed, they can be effective in providing a level playing field that encourages the development and diffusion of sustainable technologies and processes to achieve science-based environmental goals.

25. Failure to premise the process of technology assessment on these principles

risks politicization of the technology process and consequent "picking winners and losers" on the basis of political concerns. The ultimate net losers will be the world's climate, as international decision-making turns to ineffective technologies, and also developing countries and local authorities, stuck with technological boondoggles rather than competitive, effective technologies for reducing emissions of climate-changing greenhouse gases.

4. Information dissemination

26. NGOs can help implement the commitments in the convention to public education on the threat of climate change and the possible solutions. The operation of information programs such as the Information Unit on Climate Change could be significantly enhanced by opening up its operation to NGOs. We would also support the Secretariat itself in organizing events at the national level publicizing the Convention. With the support of the Canadian government, a Canadian NGO recently undertook a highly successful cross country tour to raise awareness about climate change and the Convention. We would like to replicate these activities, and help governments fulfill their commitments under Article 6 of the Convention.

5. National Communications

27. Providing a mechanism for NGOs to evaluate and attach our views to the reviews of national communications. We would like, for example, to evaluate whether or not our governments are indeed achieving the reductions they are saying they will achieve, and we would like to support additional means to "close the gap" if our governments are falling short. We do this already informally though our CAN national communication reviews. What we are asking for now is the opportunity for a formal mechanism through which these reviews could be communicated to the Convention, with parties having the opportunity to respond. This type of procedure is done successfully in other international fora. In regards to non-Annex I communications, non-Annex I NGOs should be included in the development of in-country capacity building in the formulation of national communications.

6. NGOs on National Delegations

28. As stated above, NGOs bring expertise, analytical skills and a bottom-up view to these negotiations. It is unfortunate, therefore, that only a few Parties take advantage of this knowledge by placing NGOs on their own delegations. NGOs could be especially helpful to Parties that are only able to send one representative to the negotiations. NGOs should be given the opportunity to be included on delegations.

7. Demonstration projects

29. Enable NGOs to implement demonstration projects at the national level that reduce greenhouse gas emissions. We believe that environmental NGOs have the expertise, and more importantly, a sole interest in reducing GHG emissions, not in promoting particular political or economic interests. The Climate Change Convention and the GEF Council could expand the program for NGO funds now limited to $50,000 to an open system in which NGOs, national institutions, etc. could apply for funds.

8. Structural issues

30. Finally, ensuring that the Convention and its future protocol or protocols are effective involves building in flexibility and dynamism. If these elements are not built in the system will stagnate and not be able to respond to new science. Without the capacity for dynamism NGO input mechanisms will be virtually irrelevant.

31. There are a number of ways such flexibility can be developed. The German proposal for annexes to the protocol which would contain lists of policies and measures is modeled on this approach, and represents the first emergence of creative thinking in the AGBM.

32. A key example is the adjustment procedure of the Montreal Protocol. The Meeting of the Parties can, by a specially qualified majority vote, advance the phase out schedule for ozone depleting substances that are already subject to control under the Protocol. The protocol being negotiated by the AGBM should develop its own ratchet mechanism to adjust the reduction targets and timetables, to set sector or gas specific targets, etc. The protocol by its very nature should be legally binding.

E. Conclusion

33. These are only a few suggestions of how NGO involvement in the Convention can be enhanced. Greater flexibility might be introduced into the Climate Change Convention. Information and creativity from the NGO community will be an essential component of successful negotiation of the next stage of the convention as well as the monitoring and verification of its commitments.

34. However, NGO information and ideas will be useless if they fall on deaf ears. In this context the first big test of the Convention's institutions will be how effectively

they respond to the latest findings contained in the IPCC Second Assessment Report.

35. The Report' s conclusion that there is a discernible human influence on global climate is a clear basis for strong action. The SAR has identified impacts which would clearly constitute dangerous anthropogenic interference with the climate system. The AGBM must acknowledge these findings and respond with a renewed sense of urgency and purpose in its deliberations.

36. The second test will be the outcome of the AGBM process in 1997 - will the AGBM develop the kind of flexible protocol, containing legally binding targets and timetables for emissions reductions, that will set us on a path towards meeting the ultimate objective of the Convention?

37. There is a strong reinforcing mechanism in this process. In order for NGOs to play the critical role they do, they must be able to base their activity on a legitimate, evolving Convention that is moving toward its objective. Enhancing NGO involvement can and should help achieve these objectives and thereby reinforce the Convention itself.